

# DECISION



THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D. C. 20548

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FILE: B-211641

DATE: October 25, 1983

MATTER OF: Lanier Business Products, Inc.

## DIGEST:

1. A contractor may institute a general price reduction in its Federal Supply Schedule contract and offer that reduction to an agency without first receiving approval from the General Services Administration.
2. A protester's allegations without evidence are rejected as speculative.

Lanier Business Products, Inc. (Lanier), protests the Veterans Administration's (VA) order pursuant to request for quotations (RFQ) No. 520-1 to Dictaphone Corporation (Dictaphone) under a General Services Administration (GSA) nonmandatory Federal Supply Schedule (FSS) contract for central dictation systems.

We deny the protest.

Lanier argues that Dictaphone's quote does not include prices for each of the components of the system proposed by Dictaphone and that this action constitutes an improper price reduction in Dictaphone's FSS contract, which must be amended prior to submitting the reduced price to an agency in an RFQ. Furthermore, Lanier contends that Dictaphone's quotation did not include a component to permit a transcriptionist to be assigned to the system's recorders nor did it contain the telephone interfaces necessary to make it an operational system. Lanier also alleges that Dictaphone misrepresented its product to assure Dictaphone of the lowest price and to circumvent GSA procedures and regulations.

The VA advises that it found both the Lanier and Dictaphone proposed systems technically acceptable. Each system required the VA to obtain additional telephone jacks which added some cost to the quotations. After determining that Dictaphone's system was the lowest priced and that all of the required components were included in its quotation, the VA placed the order. The VA also submits that Dictaphone's price reduction did not violate GSA procedures.

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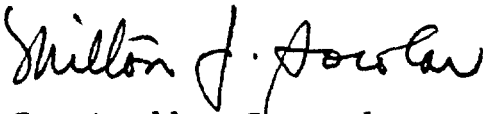
GSA annually enters into numerous FSS contracts. See 41 C.F.R. § 101-26.401, et seq. (1982). The prices offered by the contractors are filed with GSA and price lists reflecting these prices are distributed by the contractors to the various government agencies for use in purchasing the items. Contractors are allowed to reduce prices during the schedule contract period provided an equivalent price reduction is applied for the duration of the contract. Accordingly, Dictaphone's contract with GSA contained a price reduction clause which, in pertinent part, stated:

"Reduction to Federal agencies. . . . if, after the effective date of this contract the Contractor reduces the price of any contract item to any Federal agency and the sale falls within the contract maximum order limitation, an equivalent price reduction shall apply to all subsequent sales of the contract item to Federal agencies for the duration of the contract period or until the price is further reduced. . . ." 41 C.F.R. § 5A-73.217-5(a)(b) (1982).

The purpose of this clause is to assure that the government receives the benefit of any general price reduction that may occur during the contract period. As a result of a price reduction, a contractor may be able to better its competitive position during the contract period. However, all contractors have the same opportunity to reduce their prices during the terms of the contract. Under the clause set forth above, there is no requirement for a contractor to submit a general price reduction to GSA prior to offering it to an agency. Similarly, there is no requirement that GSA accept the price reduction before it becomes effective. See Dictaphone Corporation, B-193716, March 23, 1979, 79-1 CPD 200. Therefore, the VA's acceptance of the lower price offered by Dictaphone was proper.

In regard to Lanier's argument concerning the system's operation, a review of Dictaphone's quotation indicates that the capability for the assignment of a transcriptionist was provided for in the system and at no charge to the government. Also, we note that both the Dictaphone and Lanier systems required additional telephone jacks to provide the necessary telephone interfaces to make the systems operational and on this basis Dictaphone continued to be the low offeror. This issue is also denied.

With respect to the remaining issue, alleged misrepresentation, we find that Lanier did not satisfy its burden of proof. It is Lanier's responsibility to present evidence sufficient to affirmatively establish its position. In the absence of probative evidence, we must reject Lanier's allegations as speculative. See Security Unlimited Enterprises, Inc., B-199860; B-199907, December 10, 1980, 80-2 CPD 421.

*for*   
Comptroller General  
of the United States